



Department of Justice

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Western District of Kentucky**

FOR IMMEDIATE RELEASE
THURSDAY, JULY 12, 2007
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FLORIDA MAN SENTENCED TO 1 YEAR 3 MONTHS FOR MORTGAGE FRAUD SCHEME

-- 20 mortgages, \$800,000

Stan Siwek, age 45, of Fruitland Park, Florida, was sentenced to 1 year and 3 months imprisonment in United States District Court, Louisville, Kentucky, David L. Huber, United States Attorney for the Western District of Kentucky, announced today. U.S. District Judge Jennifer B. Coffman also sentenced Siwek to 3 years of supervised release. Siwek had previously pleaded guilty pursuant to a plea agreement to an Information charging him with twenty counts of wire fraud to defraud multiple mortgage lenders. The Information specifically charged him for his involvement as a loan officer in at least 20 separate fraudulent mortgage loans totaling over \$800,000. Dean Sexton, a former Louisville closing attorney, and Santiago G. Santa Cruz were also previously prosecuted for their involvement with Siwek in these illegal schemes.

The plea agreement stated that between December 2000 through 2002, Siwek worked with others to defraud a number of residential mortgage lenders while he was working as a loan officer at a Louisville mortgage brokerage company. The fraudulent scheme worked by Siwek and others providing fraudulent representations to the lenders in order to induce them to fund loans that they otherwise would not have funded. To execute the scheme they caused fraudulent loan documents, such as loan applications and HUD-1 settlement agreements, to be created. These documents

contained, among other things, false information relating to borrowers' employment, income, assets, down payment, and credit information. These documents were then provided to lenders in support of borrowers' loan applications.

During the course of the scheme, Siwek was involved in the following: creating false borrower loan applications, which falsified the financial condition of potential borrowers; providing lenders with false employment and false financial information, including W-2 Forms and bank statements of potential borrowers; creating false closing documents that did not reflect the actual selling price of the real estate, falsely represented that down payments were made from the buyer to the seller, and concealed that proceeds were distributed to buyers following their closings; creating fictitious down payment checks that made it appear to the lender as if the buyer had made a down payment to the seller when, in fact, no down payment had been made; creating and filed false title documents that created the appearance that real estate had previously been transferred; creating documents that appeared to remove liens on real estate even though the liens were not actually removed; providing lenders with fraudulently inflated appraisals; and using names of fictitious loan brokers to process fraudulent loans.

This case was related to other cases prosecuted by the United States Attorney's Office. Santiago G. Santa Cruz was prosecuted for his similar involvement in the scheme and pleaded guilty on June 30, 2005. His sentencing will be later this Summer. Dean Sexton, a former Louisville closing attorney, was sentenced to two-and-a-half years on June 18th for his role in the scheme.

The case was prosecuted by Assistant United States Attorney Bryan Calhoun, and it was investigated by the Federal Bureau of Investigation.

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